

# **TENNESSEE ALCOHOLIC BEVERAGE COMMISSION**

**Minutes  
November 17, 2005  
9:30 a.m.**

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The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Thursday, October 19, 2005 in Nashville, Tennessee at 9:30 a.m. Commissioners John Jones, Harlan Mathews and Cynthia Bond were present. Executive Director Danielle Elks, Assistant Director Carolyn Smith and ASAC Andy Woodall from the staff were present.

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**1. The Minutes for October 19, 2005 Commission Meeting were approved upon changing the Minutes to reflect Cynthia Bond as being present.**

**2. RETAIL PACKAGE STORES:**

**A. 1. RONNIE'S WINE AND SPIRITS  
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

**Licensee/Seller: Kashish Corporation  
Stockholders: DiPak and Ami Patel  
Applicant/Buyer: Anjoy, Inc.  
Stockholders: Narendra J. Patel**

Before the Commission is a request for a transfer of ownership of the retail package store located at 7702 Shallowford Road in Chattanooga, Tennessee. Mr. Narendra Patel intends to purchase the business for \$50,000 plus inventory. Financing for the purchase is based upon a loan in the amount of \$150,000 from BB&T. All documentation has been submitted.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Commissioner Mathews made a motion to approve. Commissioner Bond seconded the motion. The motion passed with 3 ayes.

**2. 96 LIQUOR AND WINE  
MURFREESBORO, TENNESSEE (RUTHERFORD COUNTY)**

**Applicant: Delta, Inc.  
Stockholders: Iqbal S. Kahlon and Gauttam A. Patel**

Before the Commission is a request for a new retail package store to be located at 2019-A Lascassas Pike in Murfreesboro, Tennessee. Mr. Iqbal S. Kahlon and Mr. Gauttam A. Patel intend to operate the business as a corporation. The stockholders have obtained a loan in the amount of \$740,000 from Cavlary Bank for the purchase of the property, construction of the building and the initial funding for the business. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy Permit;
- b. TABC Inspection; and
- c. Acknowledgement of the Rules and Regulations.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Commissioner Mathews made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion. The motion passed with 3 ayes.

**3. BOOTLEGGERS  
KINGSTON, TENNESSEE (ROANE COUNTY)**

**Applicant: Winery Rivers Company**  
**Stockholders: Ernest Wright, Jr. and Dinker Kala**

Before the Commission is a request for a new retail package store to be located at 1202 N. Kentucky Street, Suite 100 in Kingston, Tennessee. Mr. Ernest Wright, Jr. and Dinker Kala intend to operate the business as a corporation. The stockholders intend to initially invest between \$150,000 and \$200,000 to operate the business. Mr. Wright would own 51% and has personal funds for his investments; Mr. Kala would own 49% and has obtained his financing through a loan with SunTrust Bank. All documentation has been submitted with the exception of the following:

- a. Mr. Wright's credit check has not been signed by a bank official;
- b. Written request for basement storage;
- c. Verification that Knight's Inn does not hold a LBD license; and
- d. Acknowledgement of the rules and regulations.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Chairman Jones made a motion to approve upon submission of the Acknowledgment of the TABC Rules and Regulations. Chairman Jones opined that he was not comfortable with the business name; however, realized the TABC did not have authority to require change. Commissioner Bond seconded the motion. The motion passed with 3 ayes.

**4. PYRAMID LIQUORS  
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

**Licensee: Richard H. Farwell, III and Richard H. Farwell IV**

Before the Commission is a request for a transfer of location of the package store currently located at 686 N. Second Street in Memphis, Tennessee. The licensee is requesting a transfer of location to 120 Auction, Suite 101 in Memphis, Tennessee. The request is based upon the City of Memphis' purchase of the property. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit;
- b. Certificate of Compliance; and
- c. Payment of Settlement of outstanding citation.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Commissioner Bond made a motion to approve upon submission of the Use and Occupancy Permit. Commissioner Mathews seconded the motion. The motion passed with 3 ayes.

**3. WINERIES**

**OCOEE WINERY  
CLEVELAND, TENNESSEE (BRADLEY COUNTY)**

**Applicant: Oconee Winery, Inc.**  
**Stockholders: Steven Hunt**

Before the Commission is a request for a new winery to be located at 5365 Waterlevel Highway in Cleveland, Tennessee. Mr. Steven Hunt intends to initially invest \$200,000. Financing is based upon personal funds (\$100,000), a \$50,000 loan with 1<sup>st</sup> Citizens Bank, and a \$50,000 personal loan from his parents. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy Permit;
- b. Permission from the Department of Agriculture; and
- c. Sales Tax Registration.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Commissioner Mathews made a motion to approve upon submission of permission from the Department of Agriculture. Commissioner Bond seconded the motion. The motion passed with 3 ayes.

- 4. SPECIAL OCCASION LICENSES**
- 5. CONSUMER EDUCATION SEMINAR LICENSES**
- 6. PERSONNEL**
- 7. BUDGET**
- 8. CONSENT ORDERS**
- 9. PENDING MATTERS LIST**
- 10. MISCELLANEOUS**

**A. Flavored Malt Beverage Update**

**Discussion:**

Gif Thornton, attorney, representing the Commission of the Tennessee Alcoholic Beverage Commission in a contested case involving flavored malt beverages, was present at the meeting. Mr. Thornton is an attorney at the Addington, Reed, Stokes & Bartholemew Law Firm in Nashville. He was retained three years ago to represent the Commissioners as the Executive Director, at the time, was performing the role of a party before you in terms of a contested case. Gif Thornton reviewed the issue of the Flavored Malt Beverage Hearing that was presented in the October 2005 Commission Meeting. Mr. Thornton stated that he

believed that the case was ready to be dismissed. Chairman Jones made a motion that the Commission find that flavored malt beverage products made in compliance with the new Federal rules and regulations and Tennessee statute may be distributed and sold as “beer” in Tennessee. Secondly, Chairman Jones made a motion that the Commission direct the TABC staff to implement a transition policy consistent with the one adopted by the Federal TTB to insure a smooth transition in the market place after January 3, 2006 and that policy would permit the remaining sale of the product that is in the supply system and would be allowed to be sold after January 3, 2006. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**B. Winery Meeting Update**

**Discussion:**

Director Elks stated that she met with Senator Ketron, Representative Davidson, Jennifer Albrecht, along with other interested parties and discussed the proposed legislation proposed to be introduced in the 2006 Legislation Session that would remove the cap on the amount that could be sold at the wineries. Currently the cap is 20,000 gallons that can be sold at retail at the winery and whether a tax would be increased on the wine sold in Tennessee. Director Elks stated that it is her understanding that as a result of that meeting that the wineries have elected not to pursue the tax and that the parties present were in agreement that the cap should be removed. Jennifer Albrecht, lobbyist for the Tennessee Winery Association, stated to the Commissioners that if they wanted to have their inspection of the Beachaven Winery in January that it was fine with the owners of the winery. Ms. Albrecht stated that she talked with Dr. David Lockwood at the University of Tennessee and he stated that he would be available to attend and make a presentation to the Commission on grape growing in Tennessee. The Commissioners set the date to do the inspection of Beachaven Winery on January 26, 2006.

Director Elks stated that a date of December 5, 2005 at 2:00 p.m. in the TABC office has been set for the informal rulemaking hearing with the industry members.

**11. DATE OF NEXT MEETING – December 15, 2005 at 9:30 a.m.**

There being no further business the meeting was adjourned.

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Shari Danielle Elks  
Executive Director

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John A. Jones  
Chairman